



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0612	Title:	Create responsible sexual health program
Primary Sponsor:	Henry, Teresa K	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$27,989	\$510,626	\$511,317	\$512,024
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$27,989)</u>	<u>(\$510,626)</u>	<u>(\$511,317)</u>	<u>(\$512,024)</u>

Description of fiscal impact:

This bill establishes a new program to be created and administered by the Department of Public Health and Human Services (DPHHS) to provide contracts to eligible entities to support age-appropriate sexuality education for young people. The impact to general fund is estimated to be in excess of \$500,000 annually.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

1. This program will be funded using state general fund.
2. The Department of Public Health and Human Services (DPHHS) will establish a population-based allocation formula and a contract procedure to award contracts to city, county, or tribal health services.
3. Effective date of the bill is assumed to be October, 1, 2007.
4. Per Section 6(3) the program will begin July 2008 when the funds first become available to the eligible contracted agencies.
5. Not more than eight percent of the available appropriation in any single fiscal year may be retained by the department for administrative purposes.
6. Administrative costs include personal service costs for departmental salary and benefits, as well as department operating costs.

7. An annual 2.5 percent rate of inflation is assumed on certain administrative costs, such as personal services and rent.
8. An additional 0.3750 FTE for FY 2008 and 0.50 FTE for FY 2009 – FY 2011, pay band 06, department staff person would be needed to administer the age-appropriate sexuality education contract program. Annual salary and benefits at entry level for a health education specialist are as follows:
 - a. FY 2008 is estimated at \$18,630 (\$24,840 annually x nine months).
 - b. FY 2009 is estimated at \$25,461.
 - c. FY 2010 is estimated at \$26,098.
 - d. FY 2011 is estimated at \$26,750.
9. Operating costs are assumed to include departmental, rent, communication costs, office equipment, printing and graphics, and supplies. Annual operating costs are assumed as follows:
 - a. Rent allocation is estimated at \$1,584 for FY 2008 (\$2,112 annually x nine months); \$2,165 for FY2009; \$2,219 for FY2010; and \$2,274 for FY 2011.
 - b. Communication costs for phone base charges, long distance, and postage are estimated at \$1,500 annually.
 - c. Office equipment \$2,775 for FY2008 only. The employee office package consists of a desk, chair, bookcase, file cabinet, and a personal computer.
 - d. Printing and graphics is estimated at \$500 annually. These costs would be used to provide eligible entities detailed guideline information to meet departmental requirements.
 - e. Supplies are estimated at \$1,000 annually.
10. It is assumed the department will incur \$2,000 in expenditures for FY 2008 for rule-writing costs as well as filing fees for the rules that are necessary to implement and administer the program.
11. Therefore, total administrative costs are estimated to be \$27,989 in FY 2008; \$30,626 in FY 2009; \$31,317 in FY 2010; and \$32,024 in FY2011.
12. The department assumes that approximately 12 contracts will be awarded to eligible entities for the support of approved age-appropriate sexuality education programs.
13. The education program will provide services and follow the components of instructions as listed in Section 3, Part 4 of this bill. These services offered to the recipient include: teaching them skills to make responsible decisions about sexuality; health benefits and side effects of all contraceptives as a means to reduce the risk of contracting sexually transmitted infections, HIV or AIDS; information about healthy and unhealthy relationships, including dating violence; and illustrate how drugs and alcohol use can affect decision-making; or other age-appropriate education as indicated within this bill.
14. The department assumes that an average award amount per contract will be approximately \$40,000 annually, based upon a population-based allocation formula.
15. Therefore, the total contracted amount is calculated as \$480,000 annually (12 contracts x \$40,000 average per contract).
16. The total costs by fiscal year are:
 - a. FY 2008 total costs are \$507,989 (\$27,989 administrative).
 - b. FY 2009 total costs are \$515,401 (\$30,626 administrative + \$480,000 contracts).
 - c. FY 2010 total costs are \$511,317 (\$31,317 administrative + \$480,000 contracts).
 - d. FY 2011 total costs are \$512,024 (\$32,024 administrative + \$480,000 contracts).

Office of Public Instruction

17. The Department of Public Health and Human Services must consult the Office of Public Instruction when creating and administering the age-appropriate sexuality education contract program.
18. Local health departments may subcontract with partner agencies, such as school districts.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.38	0.50	0.50	0.50
<u>Expenditures:</u>				
Personal Services	\$18,630	\$25,461	\$26,098	\$26,750
Operating Expenses	<u>\$9,359</u>	<u>\$485,165</u>	<u>\$485,219</u>	<u>\$485,274</u>
TOTAL Expenditures	<u>\$27,989</u>	<u>\$510,626</u>	<u>\$511,317</u>	<u>\$512,024</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$27,989	\$510,626	\$511,317	\$512,024
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$27,989)	(\$510,626)	(\$511,317)	(\$512,024)

Technical Notes:

Section 6(3) and Section 6(5) appear to conflict. If the first year of the program were to start July 2008 and no funds were available in FY 2008 for administration due to the 8% limitation, the administrative and contractual functions assigned to the department would not be in place to start the program in July 2008.

Sponsor's Initials

Date

Budget Director's Initials

Date